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TO RUEHC/SECSTATE WASHDC IMMEDIATE 1887
INFO RUEHLO/AMEMBASSY LONDON IMMEDIATE 4129
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RUEHLM/AMEMBASSY COLOMBO IMMEDIATE 4728
RUEHKA/AMEMBASSY DHAKA IMMEDIATE 9840
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RUEHKO/AMEMBASSY TOKYO IMMEDIATE 0950
RUEAIIA/CIA WASHDC IMMEDIATE
RHEHNSC/NSC WASHDC IMMEDIATE
RHEFDIA/DIA WASHDC IMMEDIATE
RUEKJCS/SECDEF WASHDC IMMEDIATE
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TAGS: [PGOV](#) [PTER](#) [EAID](#) [NP](#)
SUBJECT: MAOISTS CONTINUING TO CONSOLIDATE GAINS

REF: KATHMANDU 1344

Classified By: Charge d'Affaires Larry Schwartz, Reasons, 1.4 (b/d).

Including Maoists in Government?

11. (C) NDI's Dominic Cardy (protect) expressed to ADCM on June 15 his concern that the Maoists could simply walk into Kathmandu in the weeks ahead. Cardy said that morning he had met with a Nepali Congress (NC) politico (NFI) who said they planned to offer the Maoists four Ministries: Health, Land, Planning, and Education. Cardy commented that those four ministries were critical in delivering social services, so the Maoists would then have effective control of those government sectors. The NC politician had explained that Prime Minister Koirala's June 14 statement from Biratnagar (front-paged in June 15 papers) that there should be a ceremonial role for the King was part of the larger plan: Koirala would get Maoist agreement to the ceremonial role for the monarch and then would use that Maoist concession as grounds to bring the Maoists into government. According to the politico, this could all happen within the next few weeks - before the Maoists laid down their weapons or made any agreement to do so. (Note: Koirala's comments expressing his personal preference for a "ceremonial king" have provoked some minor student protests, as well as speculation as to why he would venture such a comment now in the run-up to the second round of peace talks. End Note.)

INGOS Report Extortion and Meet Maoist Demands To Work In the Field

12. (C) Cardy described a surreal Association of International NGOs (AIN) meeting he attended last week (AIN members are the leading international NGOs working in Nepal, including Save the Children, CARE, and Family Health International). He said that in the first hour of the meeting, the 15-20 NGOs present each related example after example of the difficulties they faced in working in the field. In addition to the rampant extortion, the INGOs claimed they were being forced to sign agreements with local Maoist commanders in order to operate in rural provinces. The organizations also had to agree to the local Maoist commanders' demand that the NGOs show them their financial records and program plans in order to get approval to proceed

with their work. Several NGOs reported that Maoists ended NGO programs in progress that had not received prior approval; two NGOs mentioned that Maoists beat up staff who had tried to do something without getting Maoist approval. Cardy noted that the security situation for the NGOs was "incredibly dangerous" outside Kathmandu.

13. (C) During the second hour of the AIN meeting, however, the group discussed the rapidly changing political situation in the country, which all agreed was "perfect." Cardy said he sat in stunned disbelief that the group did not see the disconnect between the two discussions. He expressed deep frustration that the international community is not moving quickly to provide more assistance to support this government, but rather seems in denial and willing to believe the Maoists will support a multi-party democracy.

Meanwhile Parties Cannot Operate in Villages Without Maoist Blessing

14. (C) From NDI's ongoing discussions with the political parties, Cardy said the parties basically cannot operate out in the countryside without Maoist approval, involvement, and organization. Indeed, he observed that the level of activity by the seven-parties in the local villages was dramatically less than in April. NC staff had admitted to him that they could not do any grassroots organization. When NC central members went out to the districts, the Maoists organized the events and got people to attend. NC happily accepted this; Cardy explained that NC had taken a very short-sighted view and saw this as weakening CPN-UML, seemingly not realizing that what hurt UML would eventually also hurt NC. Cardy noted that UML, which had the best grass-roots organization among the parties, was the most affected by the Maoist actions. Cardy said NDI was turning down proposals to work with the political parties in the villages because the political parties realistically could not go there.

No Incentive for Lower Level Cadre to Disarm

15. (C) The NDI representative also said that he did not believe the Maoists would or could agree to lay down their weapons under the many scenarios being floated in the capital. Cardy explained that although Maoist commanders down to the District level were disciplined ideologues and party true believers, at the local commander level they operated more like a network of weapons-empowered thugs. This lower level cadre not only realized they lacked popular support but also feared that if they put down their weapons, people would kill them. Their ideological commitment could not justify putting their lives at risk. The Maoist leadership recognized this, and thus would not, and could not, agree to the management of arms.

Comment

16. (C) While this is hearsay, and we were not at the AIN meeting, the INGO actions track with European attitudes about the acceptability, and necessity, of working with the Maoists (reftel) and optimism about Maoist intentions. While we are concerned about the specificity of the rumor that PM Koirala might invite the Maoists into the government, for now we regard it as a very disturbing rumor, and nothing more. In the past, PM Koirala has been resolute in insisting that the Maoists must give up weapons before joining the political process.

SCHWARTZ